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Rossi, Angelo J.

Achievements under the
present administration...

San Francisco

1933

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Achievements Under the Present Administration of the City and County of San Francisco



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Box 435

*Prepared by MAYOR ANGELO J. ROSSI
in response to a request from J. W. MAILLIARD,
President of the Chamber of Commerce.*

SAN FRANCISCO

1933

SAN FRANCISCO CHAMBER OF COMMERCE
SAN FRANCISCO, CALIFORNIA

OFFICE OF THE PRESIDENT

October 26, 1935.

Honorable Angelo J. Rossi,
Mayor of San Francisco,
City Hall,
San Francisco, California.

My dear Mayor Rossi:

Since the new Charter went into effect in January 1932, San Francisco has attracted much favorable attention throughout the United States by reason of municipal solvency and its ability to reduce its tax rate during a most critical period.

For the benefit of our Board of Directors and members, who are keenly interested in this subject, I wonder if it would be possible for you to inform the Chamber of Commerce concerning the operation of the new City Charter in effecting economies in our city government.

I am sure it would also be of interest if you mentioned the major projects upon which the City and County of San Francisco has embarked during the past two or three years.

Any information which you may give us on this subject will be genuinely appreciated.

With kindest personal regards, I am

Sincerely yours,

J. W. Mailliard, Jr.,
President.

JWM:Mr:NC

Achievements under the Present Administration of the City and County of San Francisco

The president and directors of the Chamber of Commerce have requested me to inform the citizens of San Francisco how municipal affairs have been conducted since the new Charter went into effect in January, 1932, and it is clearly my duty as Mayor to give this information.

During September I was invited to speak at the annual convention of the United States Conference of Mayors, held in Chicago, on the subject of "Combined City and County Government." The invitation implied a compliment to San Francisco, for the mayors of the United States desired to learn how it was that we are municipally solvent and how we have managed to reduce our tax rate at a time when so many other municipalities are in serious financial trouble. What I said at Chicago I shall amplify here without attempting to exhaust the subject.

Municipal government in San Francisco has passed through three periods, with a fourth period just starting.

From September 13, 1847, when the first council was elected, to 1856, the city was variously and haphazardly governed, and so, to a lesser extent, was the county.

From April 19, 1856, when the Consolidation Act was approved by the State Legislature, to 1900, combined city and county government had its good and bad phases, with party politics very much to the fore. The Consolidation Act was amended and remanded beyond recognition, and it became a standing joke that no one in San Francisco except the clerk of the Board of Supervisors knew which ordinances were in force and which had been repealed.

From January 8, 1900, to 1932 the first Freeholders' Charter was our instrument of government. It was amended at almost every election until it became a Joseph's coat of many colors and many patches.

The second Freeholders' Charter, the "new Charter", went into force and effect January 8, 1932. It gave San Francisco for the first time a strongly centralized government, and with its permissive sections looking forward to San Francisco-San Mateo consolidation when that shall approve itself to the communities concerned, it should satisfy our basic requirements for many years to come. As it has had its initial testing over a period of almost two years, the judgments herein passed upon it are not premature.

Ever since the Consolidation Act went into effect in 1856 San Francisco has had a combined city and county government, the only one in the State of California. That Act accomplished its main purpose of reducing expenses by getting rid of duplicated offices. The Charter of 1900 was another step forward. It gave us Civil Service and committed us to municipal ownership of public utilities. Finally our new Charter introduced the "strong mayor plan", took most of our ministerial officers out of poli-

ties, substituted administrative heads for certain cumbersome boards, strengthened Civil Service, confined the Board of Supervisors to legislative functions, and provided the means to stop deficits and to balance our yearly budget.

It is generally agreed that thus far the new Charter has worked well. The best of Charters, however, does not work automatically. The best of charters would be but a feeble instrument were it not made to do its proper work by vigorous and intelligent administration.

The "strong mayor plan" means the plan whereby executive authority and responsibility are concentrated in the hands of the mayor. Administrative functions are grouped under the Chief Administrative Officer appointed by the Mayor. All municipal finances are handled by a Controller, appointed by the Mayor and confirmed by the Board of Supervisors. The Board of Supervisors, by January, 1934, will have been reduced in number from eighteen to eleven members; it has a president of its own selection.

The broad effect of all these changes is to speed up municipal business and to facilitate substantial economies with an actual increase in efficiency of service.

THE TAX RATE

In the final analysis, municipal government is tested by the tax rate. The taxpayer is the judge of what he is getting for his money. If too much is taken out of his pocket, he will pronounce the government bad because extravagant, and there is no appeal from his judgment. Here are a few simple figures about the tax rate under the new Charter:

FISCAL YEAR	Operating Budget	Assessment Roll	Tax Levy*	Tax Rate
1931-32.....	\$41,459,418	\$1,203,343,830	\$32,618,563	\$4.04
1932-33	39,110,402	1,049,614,876	31,862,262	3.96
1933-34	33,826,472	974,440,728	25,571,689	3.48
Net 2-Year Reduction	\$7,632,946	\$ 228,903,102	\$ 7,046,874	\$.56

*For budget purposes.

When it is considered that San Francisco, in common with the rest of the United States, has had to provide large sums for relief, that assessed values have fallen appreciably, that municipal revenues have decreased, that there have been increases in the charges for bond interest and redemption as well as for hospitalization and humanitarian work, this is a remarkable showing. It speaks of good government.

Owing to recent State legislation San Francisco was enabled substantially to reduce its contributions to the public schools. This, of course, was a factor in reducing the tax rate.

PUBLIC UTILITIES

An excellent illustration of the way municipal business has been centralized under the new Charter is provided by the Public Utilities Commission. This body, consisting of five members, is appointed by the Mayor, and in turn appoints a manager of utilities, who is its chief executive officer and holds office at its pleasure. The Public Utilities Commission has charge of San Francisco's Municipal Street Railway, the Water Department, the completion of the Hetch Hetchy project, the sale of hydro-

electric energy, the San Francisco Airport, and the lighting of public buildings and streets. Under the old charter these activities were widely scattered—decentralized—final authority in most instances being vested in the Board of Supervisors. Functions were illogically assigned and were in some instances duplicated. The cost to the city was excessive. Now they are concentrated, with political control reduced to a minimum.

The City and County of San Francisco has public utilities valued at \$152,000,000. The expenses of the Commission during the present fiscal year 1933-34 will not exceed \$66,000.

Let us examine in some detail the condition of our public utilities under this economical administration.

MUNICIPAL RAILWAY

All American street railways, in common with other forms of transportation, have suffered from a falling-off of revenue during the past few years. San Francisco has been no exception in this regard, but San Francisco has a distinction almost unique—it has preserved the five cents fare; and this without curtailing transfer privileges. The average street car fare throughout the United States is 8.3 cents. This keeping of the fare at five cents has saved the riding public of San Francisco approximately \$42,900,000 during the past five years.

Since the new Charter went into effect we have been able to reduce our street railway operating expenses by almost half a million dollars.

In the fiscal year 1932-33 the Municipal Railway received in the budget a tax subsidy of \$493,000. In the budget for 1933-34 it asked for and received a tax subsidy of \$111,000. The difference represents economies of operation which did not involve any serious changes in service. We are now operating 234 cars and 19 motor busses over 83.62 miles of track and 17.56 miles of bus routes. There are more than 1200 employees. The system is operating under the Code adopted in accordance with the N.R.A. by the American Transit Association.

A main policy of the Municipal Railway has been the stimulation of district development, and thirty-two miles of trackage have been built in outlying sections. The result of this pioneering work has been an increased property value for tax assessment purposes of more than \$75,000,000.

The construction cost of the Municipal Railway amounts to \$9,500,000, \$5,481,000 of which was financed by means of a bond issue, the remainder of over \$4,000,000 through the earnings of the system. Of the original bond issue there is now outstanding the sum of \$2,010,000. Of the \$3,380,000 redeemed, \$2,778,000 was redeemed through the earnings of the system, and \$602,000 by contribution from taxes.

The operating revenue of the Municipal Railway from December 28, 1912, to June 30, 1933, was \$55,628,306. Other income, with tax contribution of \$1,434,484, brought the total to \$63,491,296.

Operating expenses for the same period were \$44,093,355. Other expenditures, for construction, extension, betterments and renewals, for bond interest and redemption, etc., brought the total to \$62,773,959. The balance, July 1, 1933, was \$717,337.

WATER DEPARTMENT

The Water Department is being operated at a substantial profit. Notwithstanding the fact that we have budgeted some \$660,000 for extensions and improvements during the present fiscal year, and that we have built up a surplus of over \$500,000, this department will pay into the city's General Fund by the end of the fiscal year 1933-34 some \$900,000. This sum represents a savings in the tax rate of twelve and one-half cents, and helps to offset increase in bond interest and redemption of the incomplete portions of the Hetch Hetchy project.

The surplus of \$500,000 is a safeguard against emergencies, and except for emergencies cannot be touched. The department must immediately start a program of construction to expand and rehabilitate the distributing system, the development of which has not kept up with the rapid growth of the city. For this purpose a bond issue of \$12,095,000 is being presented to the voters for their approval. Of this bond issue the National Government will absorb the usual 30 per cent under the terms of the N.R.A. Thereby this water bond obligation will be reduced by about three million dollars.

HETCH HETCHY

The Hetch Hetchy project is rapidly approaching completion and will ultimately, with our present resources, give us a supply sufficient to serve four million people. There will be an abundance of water, therefore, which can be wholesaled profitably to various peninsular cities, several of which have already indicated their desire to buy.

In the Hetch Hetchy system there are 66 miles of tunnel and 72 miles of pipeline. The pipelines have been completed, the tunnels practically so. Twenty-eight and one-half miles of tunneling is through the Coast Range Mountains where the work has proved most difficult, yet it has all been finished except about 500 feet. Hetch Hetchy water will be delivered in San Francisco in the Spring of 1934.

Since 1925 the Moccasin Creek Power House has been producing and selling hydroelectric energy. During the past eight years the sale of this power has brought us a revenue of \$16,000,000. A substantial portion of this money has been applied to redemption and interest payments on Hetch Hetchy bonds, thereby greatly reducing the charges we have had to meet with taxes.

AIRPORT

Under the old Charter the San Francisco Airport was conducted by a special committee of the Board of Supervisors. Now it is under the jurisdiction of the Public Utilities Commission. Less than a year ago none of the great air lines was using this airport, and the nearest air terminal was across the Bay, an hour and a half away from San Francisco. The consequent loss of time to passengers, express and air mail was a severe handicap. Today every air line operating on the Pacific Coast is making the San Francisco Airport its terminal. There are fifty regularly scheduled daily arrivals and departures. The business is profitable, and the advantage to San Francisco is

enormous. To meet the requirements of the national government it is imperative that the Airport runways be enlarged immediately at a cost of \$260,000. Here again the N.R.A. will cooperate.

San Francisco may reasonably look forward to the day when we shall be the headquarters of a large aviation industry as well as a dominant air terminal.

The San Francisco Airport, the junior member of our utility group, is showing, and doubtless will continue to show, the most rapid growth of all.

To sum up, the new Charter enables San Francisco not only to preserve but to expand every necessary element of its public utility service, while at the same time effecting important economies in operation. We have the five cent fare, our water supply is pure, adequate, and shortly will be enlarged beyond our immediate needs, we are making money out of hydro-electric, and our Airport bids fair to make San Francisco a world terminal.

PUBLIC WORKS—1931

The following departments are under the jurisdiction of the Chief Administrative Officer:

Finance and Records, Purchasing, Real Estate, Public Works, Electricity, Street Traffic Advisory Board, Public Health, County Welfare, Coroner, Horticultural Inspection, Weights and Measures.

Properly to recite the achievements of the Department of Public Works it is desirable to begin with the year 1931.

In 1931 the city invested in public improvements the sum of \$9,454,379.78.

Of this amount, \$2,122,428 was for building construction. The major items were: Health Center Building, Laguna Honda Home, wards K and L; San Francisco Hospital, Roof Wards; Girls' High School additions, West Portal School additions, Tuberculosis Hospital, Second Unit; Excelsior Emergency Hospital; Golden Gate Park Police Station, and Engine House No. 20.

In paving contracts the city expended \$262,439.03, the largest amount being for Alemany Boulevard, Section C.

Contracts were awarded and work completed on assessment street work in a total of \$161,679.52.

For Section B of the Fifteenth street sewer and for other sewer work, \$189,375.79 was expended.

A total of \$68,909 was spent for lighting the Bay Shore Boulevard, Junipero Serra Boulevard and other important arteries.

The Third Street and Channel Bridge was completed at a cost of \$552,590; also the Sloat Boulevard Viaduct at Thirty-seventh avenue (\$115,433.44), and the Lincoln Way Viaduct at Thirty-seventh avenue (\$72,937). This made a total for bridges and viaducts of \$740,960.44.

Public utility construction in connection with our water supply called for the expenditure, in 1931, of \$5,908,588.

The major portion of this was for the San Joaquin Pipe Line of our Hetch Hetchy project, \$4,136,479.

Other large items were: Corral Hollow Pipe Line, \$928,550; Red Mountain Bar Syphon, \$174,369; Hetch Hetchy Road, \$125,714; Crystal Springs Aqueduct, \$125,485; University Mound Pipe Line, \$77,070; and Upper Alameda Dam, \$54,596.

PUBLIC WORKS—1932

During our first New Charter year, 1932, the total expenditure of the Department of Public Works amounted to \$472,984.25.

Building construction cost \$35,806.50.

Paving contracts amounted to \$285,013.52, the largest sum (\$117,077.87) being for Section A of Sunset Boulevard.

Assessment street work totalled \$21,443.26.

For the Fillmore street sewer, Section E, \$69,875 was expended out of a total of \$78,319 for sewer work.

New street lighting cost \$29,109, principally for Sloat Boulevard (\$18,167).

PUBLIC WORKS—1933

During the first nine months of 1933 the Department of Public Works expended \$1,196,224.31.

For the New County Jail where work is in progress but not completed we have awarded contracts for \$810,553.45, out of a total for building construction of \$906,493.45.

Paving contracts for this period amounted to \$167,034.65. The principal items were Alemany Boulevard, Section C (\$84,843); Bay Shore Boulevard, Potrero Avenue intersection (\$30,494.70); Golden Gate Park Roads (\$26,796); and Turk street, Masonic to St. Joseph Avenue (\$20,275.95).

Street assessment work cost \$59,973.38.

For Alemany Boulevard lighting we have spent \$13,989, and for Bay Shore Boulevard lighting, \$6,382.

For the reconstruction of the Sixth Street Bridge the cost has been \$12,099.

PUBLIC WORKS—THE IMMEDIATE FUTURE

For the continuation of our building program we have funds immediately available, for the following: Health Department buildings, \$700,000; Laguna Honda Home, \$83,000; ten cottages, Tuberculosis Preventorium, \$40,000; and for the survey of buildings for earthquake hazard, \$22,000.

There is a total of \$1,267,826 available for our street and boulevard program. Of this sum, \$600,000 is for the widening of the following streets: Harrison and Bryant, from Fifth to Tenth; Tenth, from Division to Market; Fell street, from Mar-

ket to Van Ness; Van Ness Avenue, from Market to Bay; and Potrero Avenue, from Division street to Bay Shore Boulevard.

For Alemany Boulevard, Sections A and C, we have available \$325,000; for Bay Shore Boulevard and the Army Street extension, \$66,000; for Sunset Boulevard lighting standards, \$25,000; and lesser sums for other contemplated street and boulevard improvements.

Contracts for the completion of Bernal Boulevard will be let at an early date.

These records show that during the past three years, which have been three of the most trying years in the history of the United States, San Francisco has been able to invest large sums in major improvements of permanent value, one important result being to keep many skilled and unskilled laborers at work.

BOARD OF HEALTH

Under the new Charter, the old Board of Health with executive power was changed to an Advisory Board, and executive functions were centralized in the Director of Public Health who is directly under the Chief Administrative Officer.

An outstanding accomplishment of this department was the adoption of a new Milk Ordinance which strengthened safety provisions and eliminated so-called "raw-milk" from the San Francisco market.

Restaurant inspection has been made more efficient. Since the enforcement of a new gas appliance ordinance there has not been a single death by accidental asphyxiation. Five hog ranches have been eliminated from the city and the remaining two have been made to conform to strict sanitary regulations.

The San Francisco Hospital has met the problem of the increasing demand for hospitalization and medical care of the indigent sick. New roof wards were opened in the hospital itself, and two vacant wards in the Isolation Hospital are being utilized. The increased demand for tuberculosis beds resulted in the opening of new wards in the Tuberculosis Division of the Hospital, and twenty-five additional beds at the Hassler Health Home in San Mateo County. Additions at the Laguna Honda Home have provided five new wards as an outlet for chronic patients of the hospital. The Alemany Emergency Hospital and the Alemany Health Center were opened. The Health Center Building in the Civic Center was occupied.

Infant mortality in San Francisco continues to be the lowest in the United States registration area. In 1931 it was 41 per thousand live births; in 1932 it was 39.

Certain per diem costs in institutions under the Board of Health are particularly striking when it is held in mind that these institutions are universally recognized as among the most up-to-date and best equipped in the United States. The per diem cost for a patient in the San Francisco Hospital is \$2.74; in the Hassler Health Home at Redwood City it is \$2.52; and the cost per day for each inmate of the Laguna Honda Home is 75 cents.

PURCHASING

When I was chairman of the Supplies Committee of the Board of Supervisors I introduced in 1922 the enabling act which led to centralized purchasing for the City and County. From 1923 to June 30, 1931, this system saved the city \$3,023,000. Our

new Charter gave still more control to the centralized purchasing department, the result being a continuation of annual savings.

Comparison of the prices which would have obtained under the decentralized purchasing system of the past with the prices obtained on awards for consolidated quantities, shows a difference of not less than 12 per cent in favor of centralized and consolidated buying. As the City buys approximately \$12,000,000 worth of supplies every year, the amount saved is well over \$1,000,000 per annum.

COUNTY WELFARE

Our County Welfare Department represents another phase of centralization under the new Charter. This Department administers widows' pensions, orphan and half-orphan relief, the Old Age Security Act, and blind relief. These beneficent activities are financed jointly by the City and County of San Francisco and by the State. Without working any hardship or lessening humane methods the amounts expended by San Francisco had been very considerably reduced over a period of years, until the depression came upon us.

This department at present looks out for the wellbeing of some twenty-seven hundred individuals, and its success has become so well known throughout the United States that it is frequently asked for advice by similar departments in other large cities.

BALANCING THE BUDGET

San Francisco is now on a strictly cash basis. We have no annual deficit—under the new Charter it is positively forbidden. We must pay as we go. The language of Section 86 is clear:

"No obligation involving the expenditure of money shall be incurred or authorized . . . unless the controller first certify that there is a valid appropriation from which the expenditure may be made, and that sufficient unencumbered funds are available in the treasury to the credit of such appropriation to pay the amount of such expenditure when it becomes due and payable."

Under the old Charter deficits were carried forward over a period of many fiscal years. The real condition of the city finances could be concealed. When the new Charter went into effect, there was a deficit of \$710,806, in the General Fund alone, the greater portion of which was eliminated at the end of the first six months.

Budgetary methods under the old Charter were not only unscientific but slipshod. Miscellaneous revenues were over-budgeted. Estimated expenditures were not always budgeted in their entirety. Unexpended appropriations were carried forward from one fiscal year to another. Appropriations for needs that should have been anticipated were not made. Money was expended "on the cuff" without reference to revenue expectancy. So the budget did not present a complete picture of all our estimated receipts and expenditures. And it was very often a political budget.

That haphazard system is gone. We now have an all inclusive executive budget. The political budget is no more.

BUDGET MAKING

Some seventy-five per cent of San Francisco's annual budget appropriations are beyond the control of the budget-makers. These are, first, fixed expenditures, such

as those that are mandatory under State law; second, expenditures required by mandate of the people of San Francisco, such as bond interest and bond redemption; third, the minimum appropriations mandatory under the Charter for parks, libraries, and recreation. Approximately twenty-five per cent of the budget remains. This is subject to executive and legislative recommendation, action and control.

The Chief Administrative Officer must obtain budget estimates from departments and officers subject to his control. These and all other budget estimates go to the Controller who must consolidate the budget by the 15th of March and transmit it to the Mayor with all information needed to prepare a final budget. The Mayor may decrease or reject any item or group of items in the budget except items for bond interest and redemption and fixed charges. He cannot increase any budgetary request for personal service, materials, supplies or contractual service. He may increase items for public improvements or for capital outlays, except the estimates for public utilities. He may, of course, hold public hearings on the budget.

The Mayor must transmit his budget recommendations to the Board of Supervisors by the first of May. The Board of Supervisors may decrease or reject any item in the Mayor's recommended budget, may not increase any item for materials, personal services or supplies, but may increase or insert appropriations for capital expenditures or public improvements, subject to veto by the Mayor. The tax rate must be fixed by the 15th of September.

The tax rate must be sufficient to provide for all budget expenditures and outlays. The budget determines the tax rate. In the past the tax rate often determined the budget.

Bearing these various budget provisions of the Charter in mind, as well as mandatory requirements, a comparison of the budgets for the fiscal years 1931-32, 1932-33 and 1933-34 reveals what has been accomplished, without serious impairment of municipal functions, in the matter of that life-saving economy which has enabled San Francisco to weather the storm that has done such damage to many other large cities.

CITY AND COUNTY OF SAN FRANCISCO COMPARATIVE STATEMENT OF CONSOLIDATED BUDGETS

	FISCAL YEARS			Increase Decrease (-)	Increase Decrease (-)
	1931-32 COL. 1	1932-33 COL. 2	1933-34 COL. 3	Col. No. 1 Over Col. No. 1	Col. No. 3 Over Col. No. 2
Total Budget	\$65,375,096	\$63,972,943	\$55,019,902	-\$10,355,194	-\$8,953,041
Deduct Bond Funds	6,873,672	5,666,700	851,182	-6,022,490	-4,815,518
	\$58,501,424	\$58,306,243	\$54,168,720	-\$ 4,332,704	-\$4,137,523
Deduct Receipts by Transfer	\$ 5,229,637	\$ 7,139,314	\$ 7,620,453	\$ 2,390,816	\$ 481,139
Gross Budget for Current Operations from State Subventions	\$ 3,664,803	\$ 3,700,165	\$ 6,503,239	\$ 2,838,436	\$ 2,803,074
From Miscellaneous Revenues	16,988,421	15,604,502	14,473,339	-2,515,082	-1,131,163
From Taxes	32,618,563	31,062,262	25,571,689	-7,046,874	-6,290,573
Total	\$53,271,787	\$51,166,929	\$46,548,267	-\$ 6,723,520	-\$4,618,662
Deduct:					
Bond Interest and Redemption	11,561,539	11,788,167	12,627,767	1,066,228	839,600
Tax Judgments	250,830	268,360	94,028	-156,802	-174,332
Net Budget for Current Operations	\$41,459,418	\$39,110,402	\$33,826,472	-\$ 7,632,946	-\$5,283,930

The table shows that the budget for current operations has decreased since the inception of the new Charter by \$7,632,946. Of this, \$2,556,363 represents Charter salary deductions, and \$5,076,583, other economies.

This gross saving is offset by an increase in mandatory charges for bond interest and redemption, \$1,066,228, less a slight savings in tax judgments of \$156,802, or a net amount of \$909,426, showing a net budgetary savings of \$6,723,520.

It should also be noted that while there was an additional state aid for schools in the 1933-34 budget for \$2,838,780, revenues from sources other than taxes for the same period decreased \$2,515,082.

These favorable results reflect the workings of a well-defined financial program, the elimination of other than essentials in operation, careful control in appropriation allotments, installation of a proper system for interdepartmental control, and the keeping of expenditures within the limitations of estimated revenues as revised month by month.

A comparison of current fund balances at the end of the past three fiscal years is enlightening.

	June 30, 1931	June 30, 1932	Tentative June 30, 1933
General Fund	Dr. \$773,737.92	\$ 67,359.64	\$1,193,599.69
Schools	276,002.43	598,027.77	655,530.27
Utilities	1,488,181.44	1,487,955.62	1,876,339.56
Other current funds.....	Dr. 279,639.16	680,994.31	1,129,175.09
	\$710,806.79	\$2,834,337.34*	x\$4,854,644.61

Dr. Indicates deficit.

* Prior to closing to Cash Reserve Fund.

It will be noted that the total current fund accrued surplus of \$710,806.79 as at June 30, 1931, had grown by June 30, 1933, to an amount of \$4,854,644.61. Also that the General Fund accrued deficit of \$773,737.92 has not only been eliminated, but that on June 30, 1933, there was available for transfer to the Cash Reserve Fund \$1,193,599.69. This transfer will be augmented by transfers from surpluses of certain other current funds.

REDUCING TAXES

As has been previously noted, between 1931 and 1933 the assessment roll has shrunk \$228,903,102, and the tax levy decreased \$7,046,874. However, in spite of these great handicaps, it has been possible to make a net reduction in the operating budget during the same period of \$7,632,946. The tax rate was \$4.04 for the fiscal year 1931-32. It is \$3.48 for the fiscal year 1933-34, a reduction of 56 cents. It is this result that has focused the attention of other American municipalities upon the City and County of San Francisco. It is pleasant to win outside encomiums, but the deepest satisfaction in a matter of this sort comes from the substantial relief afforded to our harassed taxpayers.

The excellent fiscal condition of San Francisco finances can be attributed in no small degree to the efforts of the Controller, whose energy and ability have been devoted to protecting so efficiently the city's interests.

TAX DELINQUENCY

In the matter of tax delinquency we have an excellent showing. Here too our position is unique among American municipalities.

The average tax delinquency throughout the United States is 25 per cent, although the percentage goes as high as 80 per cent in some large cities that have had an unusually hard time. The figures show that San Francisco has one of the lowest tax delinquency percentages in the country. For the fiscal year 1930-31 the percentage of delinquent taxes was 3 3/10 per cent. For 1931-32 it was 4 1/4 per cent. For the fiscal year 1932-33 it was 5 1/2 per cent, and this percentage will undoubtedly be reduced by deferred payments plus the usual penalties.

This low delinquency again evidences our sound financial position. We have met all obligations and pay rolls, bond interest and redemption, whereas many of the cities of the country have repudiated their debts and are now approaching insolvency.

GARBAGE

The city's garbage is now being disposed of by sanitary fill method at Bay Shore, outside the city limits. The old incinerator at Fifteenth and De Haro streets has been demolished. It is proposed eventually to make a sanitary fill at San Francisco Airport, which will greatly enhance the value of the city's land.

RELIEF

The city of San Francisco has made large appropriations for unemployment and emergency relief ever since the need arose. In March of this year 75,000 persons were being cared for. This was the peak of our hard times. Gradually relief demands have lessened and the number of persons cared for has been reduced from 75,000 to 52,000. The municipal employees have voluntarily and generously contributed to the relief program.

Relief is being ably and impartially disbursed by the Citizens' Relief Committee appointed by the Mayor under authority of the Board of Supervisors, which Committee, through the Director of Relief, has been selected by the Federal and State government to supervise relief expenditures.

We have a system of registration for the unemployed called the Municipal Unemployment Registration Bureau. Approximately 37,000 men and women have been registered with this bureau after careful investigation verified their claim of having lived in San Francisco for at least one year. On public projects it is mandatory that contractors look for new help to these registered unemployed.

The Bureau was set up at virtually no cost to the taxpayers, as the necessary executive and clerical help was drafted from other city departments. This system of reg-

istration has been approved by the California Administration of the N. R. A. which has earnestly recommended its adoption by every city and town in the state.

POLICE DEPARTMENT

The policing of San Francisco presents one of the most complicated problems of our city government. It has been solved by the division of the city into fourteen districts, by the creation of a number of highly specialized bureaus, and by the use of the latest scientific devices including radio broadcasting and radio cars. The city is like an immense spider web with which to entangle criminals at the threshold of their activities.

San Francisco has no organized crime, no racketeers, no recognized gun men, no bungo men and no pickpockets. Kidnapping is an unknown offense. These conditions have been made possible by the definite knowledge on the part of criminals that their presence in San Francisco, even for a few hours, will not be tolerated, and that their entry into the city means instant arrest.

I am glad to pay a well deserved tribute to that splendid body of men that has confined crime in San Francisco to an almost irreducible minimum and has won the unanimous praise of police departments throughout the United States and abroad.

FIRE DEPARTMENT

San Francisco's major conflagrations have been enormously expensive, but the ordinary losses from fire are kept remarkably low. Our Fire Department perpetuates the honorable traditions of the volunteer fire fighters of the earlier years. It attracts to its ranks some of the bravest and best young men in the city. Its work in fire prevention is of enormous importance, and this work, together with our high pressure system and the character of department personnel, has obtained for San Francisco a very low schedule of fire insurance rates, a boon to property-owners and merchants.

The proposed bond issues for improving our water system by the construction of a new pipeline across the Bay, with new city reservoirs and expanded and enlarged lines within the city, as well as for the extension of the high pressure system, will augment our measures for fire prevention and will undoubtedly obtain for us from the underwriters a better rating than we enjoy at present.

SCHOOLS

The school department has just passed through a trying ordeal, which, however, did not impair the efficiency of work in the class rooms. The selection of a Superintendent of Schools will be based on recommendations which have been requested from the President of the University of California and the President of Stanford. Unfortunately there have been factions in the school department, a serious handicap to the administration of its various bureaus. Until the results of this condition are eliminated the Superintendent of Schools will have to exercise supreme tact; he must be a reconciler of divergent points of view. The two university presidents have been asked

to recommend an educator residing in the State of California, preferably a San Franciscan.

ACKNOWLEDGMENT

The notable record which San Francisco has achieved would have been impossible had it not been for the efficient and loyal cooperation of every public official, department head and employee in the city government, and the welcome constructive aid of civic and labor organizations and public-spirited citizens generally. I take this occasion to express my sincere thanks, as well as the thanks of the city, to all who have cooperated so effectively.

"SAN FRANCISCO THE BEAUTIFUL"

Enough has been said to indicate that San Francisco enjoys under the new Charter an efficient business administration making for the prosperity of its citizens. But "man doth not live by bread only." Business efficiency is necessary for prosperity; it is only incidental to happiness. Life in San Francisco is happy because spiritual and intellectual interests are recognized; the esthetic element of living is cultivated.

A healthy outdoor life is encouraged by the constant improvement and extension of our parks, playgrounds and golf courses, our glorious stretches of ocean beach and harbor front. Our hills are being beautified. Under the guidance of the Art Commission architecture finds sculpture an obedient handmaiden. The landscape gardener also lends his skill. We are becoming a beautiful city. With proper esthetic treatment of our great bridge approaches San Francisco will be transformed and transfigured.

The Opera House and our winter and summer symphonies enhance the city's reputation as a capital of music. The Veterans Building, like the Palace of the Legion of Honor and the De Young Museum, is the rallying point for other cultural interests of community value.

Much of what has been done to rectify our street plan and to develop our boulevards must acknowledge the influence of that good friend of San Francisco, Daniel H. Burnham. We have not forgotten his inspiring counsel:

"Make no little plans; they have no magic to stir men's blood and probably themselves will not be realized. Make big plans; aim high in hope and work, remembering that a noble, logical diagram once recorded will never die, but long after we are gone will be a living thing, asserting itself with ever-growing insistency. Remember that our sons and grandsons are going to do things that would stagger us. LET YOUR WATCHWORD BE ORDER AND YOUR BEACON BEAUTY."

(Signed) ANGELO J. ROSSI,
Mayor of San Francisco.

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TITLE**